

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

**Top Secret** 

c 196

13 March 1969

Approved For Release 2003/03/28 : CIA-RDP79T00975A013300020002-0

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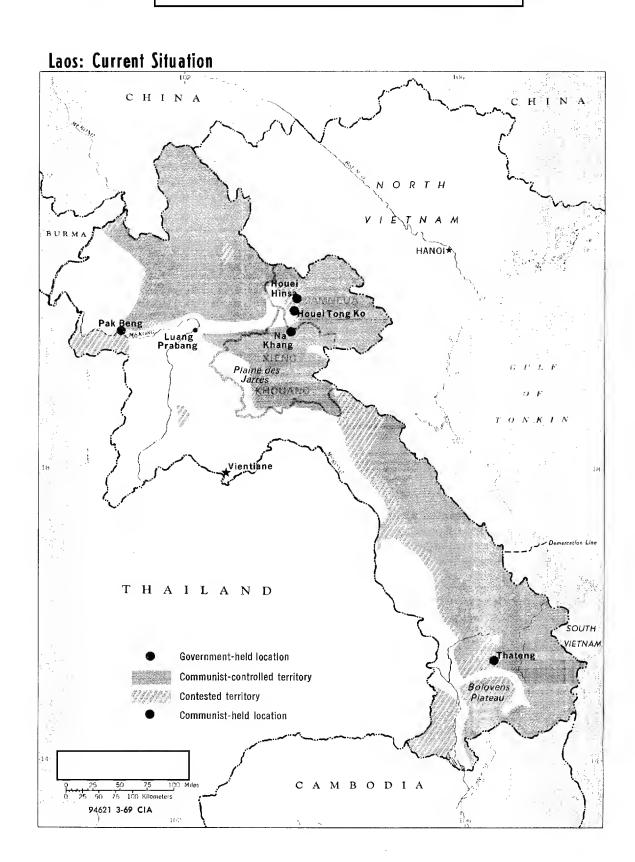
Laos: (Page	The 3)	pace	of	fighting	continues	to	quicken.	

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Laos: The pace of the fighting continues to quicken, but there is still no firm evidence that the Communists are trying for a major expansion into areas controlled by the government.

North Vietnamese and Pathet Lao troops are applying pressure against some of the remaining government positions in Samneua Province, but they have failed to drive the government guerrillas from any important base since capturing Houei Hinsa on 3 March. At Houei Tong Ko, a transit point for thousands of Meo refugees who are fleeing southward, a Communist attack was recently beaten off with the assistance of tactical air support. For tactical reasons, however, the guerrillas have evacuated a number of smaller positions west and north of Na Khang.

Meo leader Vang Pao has drawn up an ambitious plan for a series of attacks by guerrillas and regular troops against Communist positions in Xieng Khouang and Samneua provinces. Designed to forestall a major Communist offensive which Vang Pao believes will follow the recent fall of Na Khang, the plan includes attacks on Communist towns east of the Plaine des Jarres that have been free from harassment heretofore.

Prime Minister Souvanna and government military leaders have approved Vang Pao's plan, but it is uncertain to what extent the guerrillas can carry it out. That the government is now thinking in positive terms about what can be done to retain a presence in the northeast suggests that morale may be on the mend. The plan also is a sign, however, of the alacrity with which government leaders are ready to believe the worst about the scope and objectives of the current Communist offensive.

(continued)

The enemy's raid against the Luang Prabang airfield on 12 March-the third in as many years-and increased pressure in the vicinity of the Mekong river town of Pak Beng will contribute to the crisis psychology in Vientiane. Furthermore, the Communists are bringing fresh troops and supplies into the Thateng area in southern Laos in what may be a prelude to a new assault against the base there.

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#### NOTE

Iran: Iranian officials and oil consortium representatives have agreed to a two-month recess in their formal talks on Iran's oil revenue guarantees for the Iranian year beginning 21 March. This should allow consortium officials time to take another look at their estimates on what effect developments in other producing countries would have on their plans for Iran. Although the delay appears to improve chances for a settlement somewhere within the \$900 million - \$1 billion range, serious differences may still persist when the negotiators reconvene in May.

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